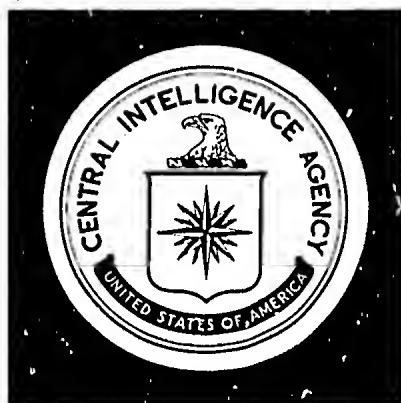


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CIA-RDP85T00875R00170003

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CIA-RDP85T00875R00170003

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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

LOT: The Polish National Airline

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ER IM 72-85
May 1972

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
May 1972

INTELLIGENCE MEMORANDUM

LOT: THE POLISH NATIONAL AIRLINE

Introduction

1. On 22 May a six- or seven-man Polish civil aviation delegation led by Czeslaw Gieraltowski⁽¹⁾ arrives in Washington, D.C., to hold discussions with US officials. If key problems such as ticket sales and currency conversion, which have bogged down civil air negotiations between the United States and other East European Communist countries can be resolved, these discussions could lead eventually to a US-Polish bilateral civil air agreement. Such an agreement probably would formalize the current twice-weekly Pan American Airways (PAA) flights between New York and Warsaw that began in April 1971 under a unilateral permit from Poland and would allow reciprocal service by Polskie Linie Lotnicze (LOT), the Polish national airline. This would make LOT the third Communist airline with scheduled service over the North Atlantic to New York - the other two being the USSR's Aeroflot, and Czechoslovakia's CSA. Although New York would undoubtedly be the initial terminus for any scheduled service to the United States, LOT could be expected later to seek traffic rights to inland cities, such as Detroit and Chicago, where large numbers of Polish-Americans reside.

2. For some time, both PAA and LOT have been interested in service between New York and Warsaw. PAA's efforts in 1965 and again in 1968 to gain a unilateral Polish permit were unsuccessful, mainly because LOT was unable to provide a reciprocal service. LOT did test the market by operating a short-lived service (mid-1967 - 1968) between Warsaw and Shannon, Ireland, with direct connections to New York via Irish Air Lines.

1. Mr. Gieraltowski is the Director of the International Cooperation Department for Foreign Countries, Ministry of Transportation. He is about 51 and last visited the United States in the fall of 1971.

Note: This memorandum was prepared by the Office of Economic Research and coordinated within the Directorate of Intelligence.

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In early 1971, Poland purchased three IL-62s from the USSR, thus obtaining an aircraft suitable for trans-Atlantic service. In March 1971, Poland finally granted PAA a unilateral permit with the comment that reciprocity was expected. In November 1971, Poland filed an application with the US Civil Aeronautics Board to operate scheduled and charter flights to the United States; this application is currently before the Board. During 1971, US officials emphasized that a formal bilateral civil air agreement would be the best way for Poland to establish US service, and in March 1972 Poland requested the now scheduled talks. This memorandum examines LOT's international operations, aircraft and safety record, as well as Poland's civil aviation agreements.

Discussion

LOT's Operations

3. LOT is administered by the Ministry of Transportation, which is responsible for all civil aviation activities in Poland through its Department of Civil Aviation and Air Traffic and Airports Administration. LOT was established as a state airline in 1946⁽²⁾ with technical and material aid from the USSR and since then has been Poland's only air carrier. By the mid-1950s, LOT offered domestic service to major urban centers and international service linking Warsaw with Moscow and other East European capitals. International service was subsequently extended to Western Europe, and by 1965 LOT served most West European capitals with at least weekly service. Toward the end of the 1960s, following the push by other East European carriers and Aeroflot, LOT opened limited service to the Middle East.

4. By 1972, LOT was operating an international route network of some 17,000 unduplicated miles that offers at least weekly service to 18 non-Communist countries. Its routes extend from Warsaw's newly expanded Okęcie Airport to Madrid in the west, to Helsinki in the north, and to Beirut in the Middle East. The coverage, number of flights, and type of aircraft in use on LOT's international service are shown in Table 1.

5. Currently, LOT employs about 3,000 personnel - including 200 pilots (of whom half are qualified in multi-engined aircraft), 400 to 500 technical flight personnel, 1,000 maintenance technicians, and 500 administrative employees. In comparison with other East European international air carriers (Table 2), LOT's route network is larger than the

2. LOT was formed in 1929 as a privately owned airline. It and other private carriers handled Poland's civil aviation up to World War II.

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Bulgarian (Balkan), Hungarian (Malev), and Romanian (Tarom) carriers, but only half as large as CSA, Eastern Europe's largest airline. With the exception of CSA, LOT also offers more weekly international flights to non-Communist countries than any of its East European counterparts. By Western standards, however, LOT is a very small international carrier. Its route network and flights per week are smaller than Finland's FINAIR, one of Western Europe's smallest international carriers. In 1971, for the first time, LOT's carriage topped one million passengers, of whom more than one-third were international, as shown in the tabulation below. Since 1969, the airline has increased international carriage by about 50,000 passengers per year.

<u>Year</u>	<u>Thousand Persons</u>		
	<u>Domestic</u>	<u>International</u>	<u>Total</u>
1965	214	154	368
1969	579	277	856
1970	634	324	958
1971	710	376	1,086

Poland's International Civil Aviation Involvement

6. LOT's international service is authorized by Poland's civil air arrangements, mostly bilateral agreements, with all Warsaw Pact states, Yugoslavia, and 26 non-Communist countries (Table 3). In many cases, bilateral accords were concluded as a basis for future expansion of international service. Civil air agreements were signed with Tunisia, Senegal, and Morocco in 1969, for example, and none of these countries is yet served by LOT.

7. Poland is a member of the Eastern European Airlines "six pool" agreement, which pools revenues and equipment on air service between Warsaw Pact countries. Poland is also a member of the International Civil Aviation Organization (ICAO) and is a signatory to the International Air Transit Agreement. LOT is a member of the International Air Transport Association (IATA).

Aircraft Inventory

8. As with most other East European airlines, all of LOT's aircraft are of Soviet manufacture. The current inventory consists of 28 turboprop

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and jet aircraft and nine piston types, as shown in the tabulation below. Half of LOT's international flights are served by jet aircraft - the medium-range TU-134 jet and two long-range IL-62s.

<u>Type of Aircraft</u>	<u>Number of Units</u>
IL-14 (piston-type)	9
IL-18 (turboprop)	8
AN-24 (turboprop)	13
TU-134 (jet)	5 a/
IL-62 (jet)	2 <u>b/</u>

a. Three additional on order.

b. One additional on order, scheduled for delivery in late 1972 or early 1973.

9. The IL-14s and AN-24s are used almost exclusively in domestic service. The IL-18, once the backbone of LOT's international service, is now used mainly for intra-Communist operations. Moreover, there is some evidence that two of these aircraft have been transferred to the Polish Air Force for VIP flights.

10. When the TU-134s were first delivered in 1969, they were quickly placed into service, mostly on flights to Western Europe. LOT supposedly made this shift to become more competitive, but prestige probably was the major motivation. Competition on LOT services to West European capitals is minimized by a pool arrangement that divides revenues equally between LOT and the reciprocal West European airlines. Prestige also appeared to underlie the introduction of IL-62s early in 1972. This aircraft, along with the TU-134s, now operates on several major routes, including Rome, Paris, and Moscow.

Safety Record

11. LOT is known to have had only one fatal crash in recent years, none in international operations. Since 1967, only three of its planes have crashed, all on domestic flights, as shown in the tabulation below. The only known mishap in international service since 1965 occurred on 27 January 1968, when an IL-18 engine exploded on a Warsaw-Rome flight. The damaged aircraft landed safely and no injuries were reported.

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<u>Type of Aircraft</u>	<u>Date of Crash and Type of Service</u>	<u>Remarks</u>
AN-24	11 November 1968: LOT scheduled domestic service	This aircraft skipped off the runway at Warsaw/Okecie airport. There was landing gear damage, but no injuries.
AN-24	24 January 1969: domestic service	The aircraft crashed near Wroclaw during a landing approach. There were no fatalities but several injuries.
AN-24	2 April 1969: LOT scheduled domestic service between Warsaw and Krakow	Seven hours after this crash, the Polish Press Agency reported that the aircraft crashed into the foothills of the Tatra mountains near the village of Podpolice, 25 miles southwest of Krakow. The aircraft was off course during a snowstorm. All 51 persons aboard were killed: a crew of five and 46 passengers, including five foreigners, two of whom were US nationals.

12. The Polish Press Agency announced in late April 1969 that the commission investigating the January 1969 crash attributed it to pilot error (the same pilot had been involved in a minor accident in 1967). Several US and foreign aviation specialists in the late 1960s questioned the capabilities of many of LOT's pilots. However, LOT has undertaken to upgrade its pilots, emphasizing training in take-off and landing procedures, and improvement has been noted.

Prospects

13. LOT's continued acquisition of medium-range and long-range jets should permit some expansion of service to additional countries in the Middle East and initiation of flights to sub-Saharan Africa and possibly South Asia. The most important new service, however, would be one to New York, which at least would be prestigious and possibly profitable.

14. LOT probably will increase the frequency of its services to West European capitals, hoping to garner some of the expanding tourist traffic

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to Eastern Europe. Tourism has prompted Poland in recent years to construct several major hotels and to expand its airports, including the major international terminal Warsaw/Okęcie.



Czesław Gieraltowski

**Director
of the
International Cooperation Department
for Foreign Countries,
Ministry of Transportation**

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Table 1

LOT Schedule of International Air Service
Spring 1972

<u>Route</u>	<u>Flight Number</u>	<u>Flights per Week</u>	<u>Type of Aircraft</u>
Warsaw-Zurich	LO 215	2	TU-134
Warsaw-Zurich-Madrid	LO 217	1	TU-134
Warsaw-Geneva-Madrid	LO 219	2	TU-134
Warsaw-Bucharest	LO 223	3	IL-18
Warsaw-East Berlin-Paris	LO 227	2	IL-18
Warsaw-Prague	LO 229	4	IL-18 (3 flights) AN-24 (1 flight)
Warsaw-Moscow	LO 231	7	IL-62 (4 flights) IL-18 (3 flights)
Warsaw-Amsterdam	LO 233	2	IL-18 (1 flight) TU-134 (1 flight)
Warsaw-Copenhagen	LO 237	3	TU-134 (2 flights) IL-18 (1 flight)
Warsaw-East Berlin-Brussels	LO 247	3	IL-18
Warsaw-Budapest	LO 253	4	IL-18
Warsaw-East Berlin-Amsterdam- London	LO 255	2	IL-18
Warsaw-Vienna-Athens	LO 257	2	TU-134
Warsaw-Stockholm-Helsinki	LO 259	2	TU-134
Warsaw-Belgrade	LO 267	3	TU-134 (2 flights) IL-18 (1 flight)
Warsaw-Frankfurt	LO 271	3	IL-18
Warsaw-Frankfurt	LO 273	1	IL-18
Warsaw-Hamburg	LO 275	2	TU-134
Warsaw-Milan	LO 277	1	IL-18
Warsaw-Sofia	LO 285	3	IL-18
Warsaw-(Bucharest)-Beirut	LO 301	2	TU-134
Warsaw-Istanbul-Cairo	LO 323	1	IL-18
Warsaw-Nicosia-Cairo	LO 325	1	IL-18
Warsaw-Paris	LO 327	4	IL-62 (3 flights) IL-18 (1 flight)
Warsaw-Leningrad	LO 331	3	TU-134
Warsaw-Kiev	LO 333	2	TU-134
Warsaw-Rome	LO 335	3	TU-134 (1 flight) IL-62 (1 flight) IL-18 (1 flight)
Warsaw-London	LO 345	5	TU-134
Warsaw-Brussels	LO 347	1	TU-134
Warsaw-Vienna	LO 355	2	TU-134
Warsaw-Rijeka	LO 363	1	IL-18
Warsaw-Split	LO 367	1	IL-18

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Table 2

Eastern European Airlines:
Scheduled International Air Service
to Non-Communist Countries
Spring 1972

<u>Airline</u>	<u>Route (Nautical Miles)</u>	<u>Countries Served</u>	<u>Flights per Week</u>
CSA (Czecho- slovakia)	37,200	34	61
Balkan (Bulgaria)	14,700	22	31
Malev (Hungary)	13,300	20	46
LOT (Poland)	16,900	18	52
Tarom (Romania)	12,400	15	23
Interflug (East Germany)	17,500	12	15

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Table 3

Polish Civil Air Agreements
with Non-Communist Countries and Yugoslavia
Spring 1972

<u>Country</u>	<u>Year</u>	<u>LOT Service</u>
Afghanistan	1962	
Algeria	1965	
Austria	1956	x
Belgium	1956	x
Cyprus <u>a/</u>	1970	x
Denmark	1961	x
Egypt <u>b/</u>	1963	x
Finland	1963	x
France	1960	x
Greece	1963	x
Iraq	1961	
Italy <u>a/</u>	N.A.	x
Lebanon	1966	x
Luxembourg	1964	
Morocco	1969	
Netherlands	1960	x
Norway	1961	
Senegal	1969	
Spain	1970	x
Sweden	1956	x
Switzerland	1961	x
Syria	1962	
Tunisia	1969	
Turkey	1967	x
United Kingdom	1957	x
West Germany <u>c/</u>	1965	x
Yugoslavia	1955	x

a. Provisional agreement.

b. Interairline agreement.

c. Agreement for an exchange of airline services,
not a formal bilateral.

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